



WELLS FARGO BANK, N.A.

Trade Services - Standby Letters of Credit Operations

One Front Street, 21st Floor, San Francisco, California 94111

Phone: (800) 798-2815 Option 1; Fax: (415) 296-8905; E-Mail: sftrade@wellsfargo.com

Irrevocable Letter of Credit Number

Issue Date: August 31, 2007

Beneficiaries:

State of Utah

Department of Natural Resources Division of Oil Gas and Mining

1594 West North Temple, Suite 1210

Salt Lake City, Utah 84116

For itself and as agent for:

Bureau of Land Management

Utah State Office

440 West 200 South, Suite 500

Salt Lake City, Utah 84101

Re: Diamond K Gypsum, Inc., Chalk Hills Quarry, DOGM permit# S150095, UTU & BLM# utu-79585

Ladies and Gentlemen:

1. Wells Fargo Bank, N.A., ("Bank"), of San Francisco, California, hereby establishes this Irrevocable Letter of Credit No. NZS604142 (the "Letter of Credit") in favor of the State of Utah, Division of Oil, Gas and Mining ("Division") for itself and as agent for the and Bureau of Land Management, Utah State Office ("Cooperative Agency") (collectively the "Beneficiaries") for an aggregate amount not to exceed \$20,700.00 in United States Dollars ("Face Amount") effective immediately; on behalf of Diamond K Gypsum, Inc. ("Operator") for Chalk Hills Quarry mining operation under DOGM issued Permit No. S150095, BLM No. utu-79585.
2. This Letter of Credit will expire upon the first event set forth as follows: (a) 5:00 o'clock p.m. (San Francisco time) on August 31, 2008 or (b) the date upon which sufficient documents are executed by the Division to release Diamond K Gypsum, Inc. ("Operator") from further liability for reclamation of the Chalk Hills Quarry, Mine Permit No. S150095 with notice to Bank by the Division accompanied by the original Letter of Credit with directions for termination.
3. This Letter of Credit expires on August 31, 2008 will be automatically extended for successive periods of one year from the current or any future expiration date unless 90 days prior to the expiration date that the Bank sends notice to the Division by any courier services or by registered United States mail return receipt requested that the Bank elects not to extend the Letter of Credit.
4. Funds under the Letter of Credit are available against the Division's sight draft, in the form of Exhibit A, specifying Letter of Credit Number NZS604142 delivered to the office of the Bank, Wells Fargo Bank, N.A., Trade Services Division, Northern California, One Front Street, 21st Floor, San Francisco, California 94111. At the Division's sole election, the Division may present sight drafts for less than the Face Amount so long as the aggregate amount of all sight drafts does not exceed the Face Amount. Each draft must be accompanied by a certificate in the form of Exhibit B, signed by a duly authorized representative of the Division.

EXHIBIT A - SIGHT DRAFT

To
Letter of Credit Number

Date

City, County

Letter of Credit No.

PAY TO THE ORDER OF: State of Utah, and U.S. Department of the Interior Bureau of Land Management

DOLLARS

TO: Wells Fargo Bank, N.A.
Trade Services Division, Northern California
One Front Street, 21st Floor
San Francisco, California 94111

State of Utah
Department of Natural Resources
Division of Oil Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84116

and

Bureau of Land Management
Utah State Office
440 West 200 South, Suite 500
Salt Lake City, Utah 84101

By: _____
Authorized Signature

EXHIBIT B
To
Letter of Credit Number 1 _____

I, _____ a duly authorized representative of the State of Utah, Division of Oil, Gas and Mining and Bureau of Land Management, hereby certify that (1) the drawing in the amount of \$ _____, by sight draft accompanying this certificate, under Letter of Credit No. _____ dated August 31, 2007 issued by you is permitted under the provision of the Letter of Credit, (2) the Letter of Credit has neither expired nor terminated pursuant to its terms, (3) the amount of the sight draft, together with any amounts previously drawn under the Letter of Credit, does not exceed the Face Amount, and (4) the amount to be drawn is necessary to assure or complete reclamation of the Diamond K Gypsum, Inc. S150095 in accordance with applicable law.

State of Utah
Department of Natural Resources
Division of Oil Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84116

and

Bureau of Land Management
Utah State Office
440 West 200 South, Suite 500
Salt Lake City, Utah 84101

By: _____
Authorized Signature

5. If the Bank receives the Division's sight draft(s) and certificate(s) as provided in Paragraph No. 4 above on or before the expiration or termination of this Letter of Credit, the Bank will make such amount as the Division may specify, within the limits of the second sentence of Paragraph No. 4 of this Letter of Credit, available to the Division no later than the close of business, San Francisco time, on the second business day (the term "business day" means a day we are open at our address above to conduct business) following the Bank's receipt of the sight draft and certificate and in such a manner as the Division may specify.
6. The Bank will give prompt notice to the Operator and to the Division Director of any notice received or action filed alleging the insolvency or bankruptcy of the Bank, or alleging any violations of regulatory requirements which could result in suspension or revocation of the Bank's charter or license to do business.
7. The Letter of Credit will be governed by the laws of the State of Utah and shall be subject to the Uniform Customs and Practice for Documentary Credit, 1993 revision, International Chamber of Commerce Publication No. 500, as the same may be amended and in effect from time to time ("UCP"). In the event of a conflict between Utah law and the UCP, Utah law shall govern.
8. All communications regarding this Letter of Credit will be addressed to the Bank, Wells Fargo Bank, N.A., Trade Services Division, Northern California, One Front Street, 21st Floor, San Francisco, California 94111, referencing Letter of Credit Number _____.
9. In the event the Bank gives notice to the Division that the expiration date of the Letter of Credit will not be extended, the Division may, until the current expiration date of the Letter of Credit, draw under the Letter of Credit against its sight draft(s) in accordance with the provisions of Paragraph 4.

Very truly yours,

Wells Fargo Bank, N.A.

By: _____
Name: _____
Title: **MIKE LIN**
ASSISTANT VICE PRESIDENT